

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division**

In re:

Chapter 11 Proceedings

CIRCUIT CITY STORES, INC.,
et al.,

Case No. 08-35653

Jointly Administered ,

Hon. Kevin Huennekens

Debtors.

**RESPONSE OF LAURIE LAMBERT-GAFFNEY TO DEBTORS'
FIFTY-SIXTH OMNIBUS OBJECTION TO CLAIMS (DISALLOWANCE OF
CERTAIN ALLEGED ADMINISTRATIVE EXPENSES ON
ACCOUNT OF EMPLOYEE OBLIGATIONS)**

NOW COMES Laurie Lambert-Gaffney ("Ms. Lambert-Gaffney"), by counsel, for her Response to the Debtors' Fifty-Sixth Objection to Claims (Disallowance of Certain Alleged Administrative Expenses on Account of Employee Obligations) [Docket No. 5320] states as follows:

1. On or about June 29, 2009 Ms. Lambert-Gaffney filed a claim with Debtors' claims agent, Kurtzman Carson Consultants, in the total amount of \$125,000.00. On information and belief, the claim has been assigned claim number 14011 and an unsecured claim number 7853 (the "Claim"). It was asserted in the Claim that the entire \$125,000.00 owed to Ms. Lambert-Gaffney was entitled to administrative expense status. A copy of the claim is attached hereto and incorporated by reference as Exhibit "A". The Debtors' Objection seeks to disallow this Claim.

2. Ms. Lambert-Gaffney's administrative Claim is based upon a cash retention award promised to her by the Debtor in order to retain her services as one of the key personnel to promote the turnaround of the Debtor (the

Retention Award”). Ms. Lambert-Gaffney, in consideration for the Retention Award, remained a valued employee of the Debtor throughout the bankruptcy proceedings. In fact, Ms. Lambert-Gaffney continues to operate in such capacity.

3. The entire amount of Ms. Lambert-Gaffney’s Retention Award was not earned and had not vested until after the bankruptcy petition was filed by the Debtor. In order for Ms. Lambert-Gaffney to be entitled to the Retention Award it was required that she provide personal services to the Debtor post-petition. Therefore, Ms. Lambert-Gaffney’s Claim did not arise until after the Debtor’s bankruptcy case had been filed.

4. Ms. Lambert-Gaffney reserves her right to supplement this Response in advance of any final hearing on the Objection.

WHEREFORE, Laurie Lambert-Gaffney respectfully requests that the Court overrule the Objection and allow Ms. Lambert-Gaffney’s Claim as filed, and grant such other and further relief as is just and proper under the circumstances.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Response was served by first class mail and/or electronic means on this 16th day of November 2009 upon the following constituting all necessary parties:

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